

Message Text

CONFIDENTIAL

PAGE 01 EC BRU 06377 091257Z

46

ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 SCI-06 SCEM-02 INT-08 AID-20

CEA-02 CIAE-00 COME-00 EB-11 EA-11 FRB-02 INR-10

IO-14 NEA-10 NSAE-00 RSC-01 OPIC-12 SPC-03 TRSE-00

CIEP-02 LAB-06 SIL-01 OMB-01 ACDA-19 STR-08 DODE-00

PM-07 H-03 L-03 NSC-10 PA-04 PRS-01 SS-20 USIA-15

DRC-01 /240 W

----- 078534

P 091207Z NOV 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 6001

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION OECD PARIS PRIORITY UNN

USMISSION NATO

C O N F I D E N T I A L EC BRUSSELS 6377

E.O. 11652: GDS

TAGS: ENRG, EEC

SUBJECT: EC OIL SITUATION: CONFUSION AND DISAPPOINTMENT

REF: EC BRUSSELS 6317

1. SUMMARY. THERE IS "COMPLETE CONFUSION" IN THE EC COMMISSION REGARDING THE PRESENT OIL SITUATION IN THE MEMBER STATES AND THE STEPS WHICH SHOULD BE TAKEN TO MEET THE GROWING CRISIS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 06377 091257Z

THERE IS ALSO A SENSE OF DISAPPOINTMENT AND DISILLUSIONMENT

REGARDING THE FAILURE OF THE MEMBER STATES TO RESPOND TO THE ARAB EMBARGO AS A COMMUNITY. END SUMMARY.

2. DISCUSSIONS WITH WORKING LEVEL OFFICIALS IN THE EC COMMISSION SINCE THE NOVEMBER 6 EC COUNCIL MEETING REVEAL THAT CONFUSION BORDERING ON CHAOS EXISTS IN THE COMMISSION REGARDING THE PRESENT OIL SITUATION IN THE NINE MEMBER STATES. THERE HAVE BEEN A NUMBER OF MEETINGS IN THE COMMISSION AMONG ENERGY EXPERTS, AND THE COMMISSIONERS DISCUSSED THE SITUATION AT THEIR REGULAR WEEKLY MEETING ON NOVEMBER 7 AND AGAIN THE MORNING OF NOVEMBER 8 AT A SPECIAL MEETING. THE PRESENT SITUATION, WHICH ONE COMMISSION OFFICIAL CHARACTERIZED AS COMPLETE CONFUSION, ARISES FROM THE FACT THAT THE MINISTERS HAVE GIVEN THE COMMISSION ABSOLUTELY NO GUIDANCE ON THIS SUBJECT AND, BECAUSE THE MINISTERS' DISCUSSIONS EARLIER THIS WEEK WERE RESTRICTED, THERE IS NO KNOWLEDGE OF THE DETAILS OR OF THE GENERAL DIRECTION OF THEIR DISCUSSIONS. MOREOVER, THE MINISTERS DID NOT DISCUSS THE COMMISSION'S PROPOSALS FOR PETROLEUM EXPORT SURVEILLANCE AND REPORTING.

3. OUR SOURCES SAY THAT IT WAS OBVIOUS THAT THE MINISTERS WANTED TO GET THE COMMUNITY ON THE ARABS' "FRIENDLY" LIST; THEREFORE, NO COMMON POSITION WAS ADOPTED. THE RESULT IS THAT EACH MEMBER STATE IS GOING ITS OWN WAY. ONE ACTION DISCUSSED BY THE COMMISSIONERS WAS THE POSSIBILITY OF ADDRESSING A LETTER TO THE COUNCIL PRESIDENT ASKING FOR GUIDANCE FOR COMMISSION ACTION. OUR SOURCES SAY THERE ARE SEVERAL POSSIBLE COURSES OF ACTION WHICH THE COMMISSION COULD UNDERTAKE. FOR EXAMPLE, THEY SAY THE COMMISSION COULD WORK QUIETLY WITH THE OIL COMPANIES TO ALLEVIATE SUPPLY SHORTAGES AMONG THE MEMBER STATES; THE COMMISSION COULD QUIETLY EXPLORE WITH IRAN THE POSSIBILITY OF ADDITIONAL OIL SUPPLIES FROM THAT SOURCE. HOWEVER, THE COMMISSION IS RELUCTANT TO TAKE ANY ACTION WITHOUT COUNCIL GUIDANCE.

4. A SECOND REASON FOR THE PRESENT CONFUSION IS THE LACK OF ACCURATE INFORMATION AVAILABLE TO THE COMMISSION REGARDING THE ACTUAL SITUATION AND WHAT THE MEMBER STATES ARE DOING. THE COMMISSION FOR EXAMPLE, DOES NOT KNOW WHAT THE OIL DELIVERY SITUATION FROM THE ARAB COUNTRIES IS. MEMBER STATES ARE NOT PROVIDING THE COMMISSION WITH THIS KIND OF INFORMATION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 06377 091257Z

5. IN ADDITION TO THIS CONFUSION, THERE IS A DEEP SENSE OF DISAPPOINTMENT AND DISILLUSIONMENT AT THE WORKING LEVEL IN THE COMMISSION OVER THE FAILURE OF THE EC TO ACT IN COMMON AND TO DEMONSTRATE COMMUNITY SOLIDARITY. IT IS FEARED BY SOME THAT THIS LACK OF COMMUNITY ACTION WILL SPREAD AND AFFECT OTHER AREAS AND POLICIES. FOR EXAMPLE, ONE OFFICIAL ASKED RHETORICALLY "CAN YOU IMAGINE ANY OTHER MEMBER STATE ADOPTING A POSITION

WHICH WOULD BE HELPFUL TO FRANCE ON THE CAP AFTER THIS WEEK?"
OUR SOURCES BELIEVE IT IS INEVITABLE THAT THE MEMBER STATES
WILL SOON TAKE MOVES TO LIMIT EXPORTS OF OIL AND REFINED PRODUCTS
TO THEIR EC PARTNERS AND THIS WILL INCREASE THE PRESENT HARD
FEELINGS AND SENSE OF DISUNITY AMONG THE MEMBER STATES.

6. A SOURCE IN THE DUTCH PERMANENT REPRESENTATION NOTED THAT
ONE EFFECT OF THE PRESENT SITUATION WILL BE TO INCREASE THE
IMPORTANCE OF MARSEILLES AND LE HAVRE AS OIL PORTS IN CONTRAST
WITH ROTTERDAM. HE COMMENTED THAT EVEN IF THE FRENCH HAD NOT
PLANNED THIS, IT WILL NONETHELESS BE WELCOMED BY THEM. HE
NOTED ALSO THAT SUCH FEARS AND EXPRESSIONS OF RIVALRY WILL HARDLY
BE CONDUCIVE TO COMMUNITY SPIRIT IN THE FUTURE. GREENWALD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, PETROLEUM CONCESSIONS, EMBARGOES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU06377
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731145/aaaabgpj.tel
Line Count: 128
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: EC BRUSSELS 6317
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29-Aug-2001 by rowellE0>; APPROVED <06-Nov-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC OIL SITUATION: CONFUSION AND DISAPPOINTMENT
TAGS: ENRG, XF, XI, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005